

**MINUTES OF THE
JOINT CAPITAL FACILITIES & GOVERNMENT OPERATIONS
APPROPRIATIONS SUBCOMMITTEE MEETING
WEDNESDAY, JANUARY 31, 2007, 2:00 P.M.
RoomW025, West Office Building, State Capitol Complex**

Members Present: Sen. Scott K. Jenkins, Committee Co-Chair
Rep. D. Gregg Buxton, Committee Co-Chair
Sen. Mike Dmitrich
Sen. Darin Peterson
Rep. DeMar “Bud” Bowman
Rep. Stephen Clark
Rep. Janice M. Fisher
Rep. Fred R. Hunsaker
Rep. Gordon Snow

Members Excused: Sen. Sheldon Killpack
Rep. Ralph Becker

Members Absent: Rep. Mark Walker
Rep. Richard Wheeler

Staff Present: Steve Allred, Fiscal Analyst
Todd Wardrop, Fiscal Analyst
Bonnie Brinton, Committee Secretary

Public Speakers Present: Larry Jardine, Building Board Chair
Keith Stepan, Executive Director, Department of Facilities
Construction and Management
Kent Beers, Director, Capital Budget, Planning & Government
Affairs
Alyn Lunceford, Real Estate & Debt Manager, DFCM
Dan Becker, State Court Administrator
Gordon Bissegger, Courts Administrative Services Director
Gary Esplin, Manager, St. George City
Patrick Luedtke, MD, MPH, Director, Public Health
Laboratories
David N. Sundwall, MD, Executive Director, Utah Department of
Health
Dan Maldonado, Director, Department of Juvenile Justice Services
Keith Davis, Director, Administrative Support, Department of
Human Services
Dallas Earnshaw, Superintendent, Utah State Hospital,
Department of Human Services

Peggy Grusendorf, Assistant Superintendent, Utah State
Hospital, Department of Human Services
Nanette Rolfe, Director, Department of Public Safety/Driver
License Division
Brad Simpson, Director, Division of Motor Vehicles, Department
of Public Safety
Linda Rutledge, Superintendent, Utah Schools for the Deaf and
Blind
Melanie Austin, Assistant Superintendent, Utah Schools for the
Deaf and Blind
Jim Karpowitz, Director, Department of Natural Resources
Ron Nelson, Wildlife Resources, Department of Natural Resources
Daniel Clark, Construction Manager, Division of Parks and
Recreation
Rick Frennette, Executive Director/General Manager, Utah State
Fair Park
Anne Burkholder, CEO, YWCA of Salt Lake City
Darin Patterson, YWCA of Salt Lake City

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Jenkins called the meeting to order at 2:10 p.m.

1. Building Board Comments - Larry Jardine, Building Board Chair

Mr. Jardine introduced all members of the Building Board. He stated that the Five-Year Building Program for State Agencies and Institutions Report is the culmination of many months of collaboration and thoughtful analysis by the Building Board, DFCM and State agencies and institutions.

Further, Chair Jardine explained that State agencies and institutions have requested over \$550 million in State-Funded projects, and over \$68 million in projects funded from sources other than a legislative appropriation. This year, agencies and institutions requested over \$163 million of capital improvement projects. Finally, the Report highlights building and land leases DFCM manages for other State agencies, including projections for leasing needs and rental costs for FY 2008.

Co-Chair Buxton commended the Building Board and expressed appreciation for their

excellent service to the State.

**2. DFCM Business - Keith Stepan, Executive Director, Department of Facilities
Construction and Management**

a. DSC Health Science Center

Mr. Stepan and Kent Beers, Director, Capital Budget, Planning & Government Affairs, presented this request. Mr. Stepan explained that the project bids came in approximately \$500,000 over budget, so the Division will need to use money from the Project Reserve Fund. The Subcommittee transferred money from the Contingency Reserve Fund to the Project Reserve Fund during the 2006 General Session for this type of cost overrun. This was the notification to the Subcommittee of the Division's planned action.

b. Emergency Services and Homeland Security

Mr. Stepan stated that DFCM has been working with the Department of Public Safety and the Division of Emergency Services and Homeland Security in developing a scope of work and budget for them to move into the vacated old P.O.S.T. Building at the West Valley site. The new renovated facility originally estimated to cost \$1.5 million has been upgraded to a new estimated cost of \$5.2 million. This increase in cost has come about due to federal regulations imposed upon the project for State security and safety issues required during a major emergency. Renovation funding, therefore, could not be acquired through Capital Improvement Funds as planned originally. This project would have to be funded by way of an appropriation from the State Legislature through the Capital Development process.

The Executive Director was asked for his opinion of the best option of funding this project. He stated that the project could be funded this session for \$5.23 million recommended by the Legislative Appropriation Committees as follows:

Capital Improvement Funding of \$2.5 million
Deveoreax house Sale funds of \$900,000
Asbestos Litigation award funds of \$333,000
DFCM excess contingency fund savings of \$1.5 million

Mr. Stepan and Mr. Beers distributed handouts titled, "DAS/DFCM Project Status Report," "Status of Energy Projects," and "2006 - Five Year Performance Report" for Subcommittee information.

3. State-Funded Capital Projects

a. Multi-Agency - Salt Lake Area Office Building - Kent Beers, Director, Capital Budget, Planning & Government Affairs

This project will construct or purchase a new state government office building in the Salt Lake City area to alleviate immediate overcrowding and accommodate future space needs. A space-needs study commissioned by DFCM concluded that there is an immediate need for an additional 150,000 sq. ft. of state government office space and a long-term need for an additional 400,000 sq. ft. of state government office space by 2016.

The Director discussed the possibility of selling the DHS Building, purchasing the Meier & Frank Building and presented two alternatives for funding the project.

Alyn Lunceford, Real Estate & Debt Manager, DFCM, responded to questions.

b. Courts - St. George Courthouse - Dan Becker, State Court Administrator, and Gordon Bissegger, Courts Administrative Services Director

This project will construct a new courthouse located on Tabernacle Street between First and Third West in St. George. It involves a land trade between St. George City and the Courts. The 2005 Legislature passed intent language to authorize the trade as soon as design and construction funds are appropriated. The court's workload is anticipated to grow by 68% by 2020. The population in Washington County is projected to grow by 219% by 2030. The request is for \$29,000,000.

Gary Esplin, Manager, St. George City, spoke in favor of this request.

c. Courts - Ogden Property Purchase

Time restraints did not allow for a presentation of this request. However, the request for this project will purchase approximately three acres of vacant land on 22nd Street between Washington Blvd. and Grant Ave. for a new Second District Juvenile Court facility in Ogden. The request is for \$2,000,000 for a property purchase.

d. Health - Unified Lab - Patrick Luedtke, MD, MPH, Director, Public Health Laboratories and David N. Sundwall, MD, Executive Director, Utah Department of Health

This project will construct module #1 of a new state laboratory. Module #1 will replace the existing Department of Health Fraser Lab Building. The new lab will be built on existing state-owned property. The outdated facility currently used poses safety concerns for workers. The Biological Level 3 lab, where the most toxic and hazardous agents are tested, is too small for safe work and is not totally isolated both in terms of location and air supply as required for safe operations. The request is for \$30,852,000.

The presentation included a letter from Ken Wallentine, Chair, Utah Law Enforcement Legislative Committee, urging support for this project.

e. DHS - Weber County Detention Center - Dan Maldonado, Director, Department of Juvenile Justice Services and Keith Davis, Director, Administrative Support, DHS

This project will construct a new 80-bed Detention Center for the Division of Juvenile Justice Services in Weber County. The purpose of the detention center is to provide short-term, locked confinement for delinquent youth awaiting adjudication or placement or who are serving a sentence ordered by a Juvenile Court judge. The Juvenile Justice Division would prefer to build the new facility on State property adjacent to the Mill Creek secure facility but is willing to review other sites in the area as well. The request is for \$11,479,000.

f. DHS - State Hospital Pediatric Center - Dallas Earnshaw, Superintendent, Peggy Grusendorf, Assistant Superintendent, Utah State Hospital and Keith Davis

Mr. Earnshaw described the need to have a multi-pod facility for all of the pediatric patients (22 children and 50 adolescents). The project would include replacement of the Youth Center and the Beesley Building as well as removing the children from the MS building. The Youth Center was built in 1950 and has exceeded its expected life cycle. He stated that because of the critical stage in building function, the Center has completed an addendum to the original request to include relocating all departments in the MS building to other buildings and demolishing the MS building. The request is for \$23,077,000.

g. DPS/Tax - Joint Driver License/DMV Building - Nanette Rolfe, Director, Department of Public Safety/Driver License Division, and Brad Simpson, Director, Division of Motor Vehicles

This project will construct a jointly shared building for Driver License and Division of Motor Vehicles on state-owned property next to I-15 in Draper. The joint facility will serve approximately 170,000 citizens for Driver License and 250,000 citizens for DMV per year. The existing DMV office is in leased space at a shopping center; and the lease expires on December 31, 2007, and will not be renewed by the landlord. The existing Driver License office is leased at a shopping center also, and the lease expires on June 30, 2006. The request is for \$5,342,000.

Kent Beers confirmed that the property discussed for this project is state-owned property.

h. Board of Education - Schools for Deaf and Blind - Linda Rutledge, Superintendent, and Melanie Austin, Assistant Superintendent, Utah Schools for the Deaf and Blind

The Schools for the Deaf and Blind currently lease two facilities and use some 25 classrooms in the Granite School District building, for a total use of 39 classrooms throughout the Salt Lake City area. The lease at the Connor Street facility will end in June, 2009, with an option for renewal. The lease in West Jordan for the Jean Massieu School will end in June of 2008 with no option for renewal--it will be demolished. Both facilities were built in the 1950s and have efficiency and maintenance problems. The Connor Street facility has exceeded its life expectancy and is not ADA compliant. The proposed solution would build one central facility with 33 classrooms, office space for approximately 70 staff, storage, a media center, and a multipurpose room.

Superintendent Rutledge explained that programming has been completed and is supported by the Building Board and DFCM, and negotiations with Granite School District have occurred. The request is for \$5,378,000.

Mr. Stepan explained the priority of this project.

The presentation included a letter from Kim R. Burningham, Board Chairman, Utah State Office of Education, stating support for the request.

i. DNR - Springville Fish Hatchery - Jim Karpowitz, Director, and Ron Nelson, Wildlife Resources, Department of Natural Resources

This project will install a sand filtration system and an ultra violet treatment system to eradicate whirling disease spores from the Springville Fish Hatchery water system. The project will also install a covering over the outdoor raceways to protect them from whirling disease contamination caused by birds and mammals. Both the sand and UV treatment systems have been used successfully worldwide. Dollar for dollar, bringing this facility back into production

makes good economic sense. The request is for \$4,476,000.

j. DNR - State Park Upgrades - Daniel Clark, Construction Manager, Division of Parks and Recreation

This project will renovate existing campgrounds and construct new campgrounds at Coral Pink Sand Dunes State Park, Wasatch Mountain State Park and Otter Creek State Park. The existing campgrounds at each park are 30 to 40 years old. They are obsolete and are at the end of their useful life. Estimates show that the additional campsites and other upgrades will increase revenues at these parks by 148%. Mr. Clark provided Subcommittee members with the cost involved in the renovation of each Park. The request is for \$12,650,000.

Keith Stepan explained the priority of this project.

k. Fairpark - Multipurpose Building - Rick Frennette, Executive Director/General Manager, Utah State Fair Park

This project will construct a new Multipurpose Arena and Exposition Center and renovate the existing arena at the Utah State Fair Park. The new/renovated facility will include an enclosed multipurpose arena with 6,000 retractable seats, an attached covered warm up arena for equestrian events and staging, a new 200 stall horse barn and covered walkways connecting the buildings.

The facility will be designed to support a broad array of events. Retractable seating will allow the facility to be easily used for a range of events including those that need considerable floor space and seating. This project will be a catalyst for greater year round use of existing facilities at the Fairpark.

A marketing study commissioned by the Fairpark has identified 20 such events that would be interested in coming to Utah if the proposed arena/exhibition facility existed.

Mr. Frennette responded to questions regarding a Major League Soccer facility at the Fairpark.

l. Multi-Agency - Replace State Parking Lot (YWCA) - Anne Burkholder, CEO, and Darin Patterson, YWCA of Salt Lake City

This project would help the YWCA acquire the state-owned property adjacent to the YWCA campus to construct the new Crisis Shelter and Residence for Women and Children and Center

for Families. The YWCA is the oldest, largest and most comprehensive provider of domestic violence crisis shelter, transitional housing and supportive services in Utah. Ms. Burkholder reported that 1,969 requests for shelter could not be filled last year because Utah's 16 shelters were full. \$14 million in private charitable gifts have been pledged to construct this project. The request is for \$1.6 million to replace the State parking lot and \$1 million to cover the cost of the property.

m. Multi-Agency - Richfield Regional Center - Keith Stepan and Kent Beers

Mr. Beers stated that the Department is not asking for funding for this project at the present time but they wish to make the Subcommittee members aware of the situation. When funded, this project will construct a new state-owned Regional Office Building in Richfield that will consolidate services provided by several agencies. Human Services, Health and Rehabilitation are currently housed in the existing state-owned Regional Center. UDOT is currently housed in a leased building. DNR, State Lands and Forestry, Driver License and the Highway Patrol are currently located in leased shops and trailers. Most of these leases expire over the next two to four years. The request is for \$15,197,000.

The Analyst, Mr. Allred, explained the process of prioritization of requests which will take place in the meeting tomorrow.

MOTION: Rep. Bowman moved to adjourn.

The meeting was adjourned at 4:45 p.m. by Co-Chair Jenkins.

The minutes were reported by Bonnie Brinton.

Sen. Scott K. Jenkins
Committee Co-Chair

Rep. David G. Buxton
Committee Co-Chair